

BY-LAWS
OF
COLORADO RIVER WATER CONSERVATION DISTRICT

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COLORADO RIVER WATER CONSERVATION DISTRICT BY-LAWS
INDEX

	<u>PAGE</u>
<u>ARTICLE I - DEFINITIONS</u>	1
<u>ARTICLE II - BOARD OF DIRECTORS</u>	1
Section 1 - Number, Power, Duties	
Section 2 - Vacancies on the Board of Directors	
Section 3 - Powers	
Section 4 - Compensation	
<u>ARTICLE III - MEETINGS OF THE BOARD OF DIRECTORS</u>	2
Section 1 - Regular Meetings	
Section 2 - Special Meetings	
Section 3 - Place of Meetings	
Section 4 - Notice of Meetings	
Section 5 - Quorum	
Section 6 - Voting	
Section 7 - Actions at Meetings	
Section 8 - Meeting Procedures	
<u>ARTICLE IV - OFFICERS</u>	4
Section 1 - Designation	
Section 2 - Qualification and Election of Officers	
Section 3 - Term of Office of Officers	
<u>ARTICLE V - DUTIES OF OFFICERS</u>	5
Section 1 - President	
Section 2 - Vice President	
Section 3 - Secretary	
Section 4 - Assistant Secretary	
Section 5 - Treasurer	

	<u>PAGE</u>
<u>ARTICLE VI - EXECUTIVE COMMITTEE</u>	7
Section 1 - Necessity For	
Section 2 - Membership and Selection	
Section 3 - Term of Office	
Section 4 - Powers and Duties	
Section 5 - Meetings	
Section 6 - Notice of Meetings	
Section 7 - Conduct of Meetings	
<u>ARTICLE VII - SPECIAL COMMITTEES</u>	10
Section 1 - Creation	
Section 2 - Meetings	
Section 3 - Conduct of Meetings	
<u>ARTICLE VIII- ENGINEER</u>	10
<u>ARTICLE IX - GENERAL COUNSEL</u>	10
<u>ARTICLE X - PUBLIC RECORDS</u>	11
<u>ARTICLE XI - CONFLICTS</u>	11
<u>ARTICLE XII - SEAL</u>	12
<u>ARTICLE XIII - AMENDMENTS</u>	12

BY-LAWS OF
COLORADO RIVER WATER CONSERVATION DISTRICT

PREAMBLE

For the purpose of providing for the orderly conduct and carrying on of the business, objects and affairs of the Colorado River Water Conservation District, the Board of Directors of said District hereby makes, publishes and declares these By-Laws.

ARTICLE I - DEFINITIONS

When used herein, the following words, terms and phrases shall have the following meaning, to-wit:

1. The term "The Colorado River Water Conservation District Act" or "Act" shall mean the act as set forth in C.R.S. § 37-46-101 et seq., as amended.
2. The term "District" shall mean the Colorado River Water Conservation District, including the District acting by and through its Enterprise.
3. The term "Enterprise" shall mean the District's Colorado River Water Projects Enterprise confirmed by Resolution dated July 19, 1995 and any subsequent Board action.
4. The term "Open Meetings Law" shall mean C.R.S. § 24-6-401 et seq., as it may be amended from time to time.
5. The term "Open Records Act" shall mean C.R.S. § 24-72-201 et seq., as it may be amended from time to time.

ARTICLE II - BOARD OF DIRECTORS

SECTION 1 - Number, Power, Duties.

The number of Directors, their appointment, and their powers and duties being specifically provided in the Colorado River Water Conservation District Act, the provisions of the Act concerning such matters are hereby made a part of these By-Laws. The following provisions hereof are supplementary to said provisions.

SECTION 2 - Vacancies on the Board of Directors.

Provision is made in C.R.S. § 37-46-106 for vacancies upon the Board of Directors to be filled by the County Commissioners of the counties from which directors are appointed. The President or Secretary of the District shall notify the appropriate Board of County of Commissioners of the fact that a vacancy exists and request the Board of County Commissioners to fill the vacancy prior to the next meeting of the Board of Directors of the District.

SECTION 3 - Powers.

The Board of Directors shall have all of the powers granted it by the Colorado River Water Conservation District Act and other provisions of Colorado and federal law applicable to the District; and said Board shall have such ancillary and incidental powers as may be proper, necessary or convenient for the full effectuation of the purposes, powers and objectives of the District.

SECTION 4 - Compensation.

As provided in the Act, the compensation to be paid to the District's Directors shall be \$75 per day while actually engaged in the business of the District in addition to their actual traveling and transportation expenses when away from their respective places of residence on District business. Being "actually engaged in the business of the District" means preparation for, travel for, attendance at, or participation in: (1) telephonic and non-telephonic meetings of the Board and Board Committees, regardless of whether the Director is a member of the Committee; and (2) the following if the Director is representing the District on a matter related to the District's business: meetings of or discussions with state, county, local, and federal officials and District constituents; educational and policy presentations and seminars; meetings or negotiations with District staff or third parties; and judicial or administrative hearings or proceedings.

ARTICLE III - MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1 - Regular Meetings.

Regular meetings (a/k/a quarterly meetings) of the Board of Directors shall be held as required by the Act on the third Tuesday in the months of January, April, July, and October of each year.

SECTION 2 - Special Meetings.

A special meeting of the Board of Directors may be held upon call of the President or any three members of the Board of Directors.

SECTION 3 - Place of Meetings.

The City of Glenwood Springs in Garfield County, Colorado, is hereby designated as the place where the principal office of the District shall be maintained. All regular meetings of the Board of Directors shall be held in Glenwood Springs. Special meetings may be held at any location proper and appropriate pursuant to Section 108 of the Colorado River Water Conservation District Act. Special meetings may be held by telephone conference. In the event of a meeting held by telephone conference call, the location of such meeting shall be deemed to be the physical location of the District's principal office. Directors may participate in regular or special meetings by telephone, subject to the other provisions of these By-Laws.

SECTION 4 - Notice of Meetings.

(a) Not less than five (5) and not more than fifteen (15) days prior to the date of any regular meeting, the Secretary shall mail written notice to each member of the Board of Directors that the meeting will be held. The notice shall state the commencement time and location of the meeting. The notice shall be directed to each Director at the address which he or she has provided to the Secretary. It is the Directors' responsibility to provide and revise their address information as necessary.

(b) Where possible, notices of all meetings shall include or be accompanied by an agenda stating the specific items of business to be considered. If a consent agenda is to be utilized at the meeting, a copy of the consent agenda shall be included with the notice.

(c) In general, notice of any special meeting will be provided in the manner set forth in subsection (a). If necessary for the effective conduct of the District's business, however, the caller(s) of any special meeting may elect to hold the meeting by giving all Board members notice and agenda information by hand-delivery, telefax, electronic mail or telephone at least 24 hours before the meeting.

(d) Notice of all regular and special meetings shall also be given to any person or agency requesting notice.

(e) Notice of all regular and special meetings also shall comply with the Open Meetings Law.

SECTION 5 - Quorum.

A quorum of the Board of Directors shall consist of a majority of the members thereof. Less than a quorum shall have power and authority to adjourn any regular or special meeting at which less than a quorum shall be present or to continue their meeting and to fix the time and place of the holding of the continued meeting. Unless a meeting is noticed and held as a telephonic meeting, a Director participating in a regular or special meeting by telephone shall not be counted in determining the existence of a quorum.

SECTION 6 - Voting.

Directors must be physically present to vote at any regular or special board meeting, unless the meeting is noticed and held as a telephonic meeting in which case all Directors participating by telephone may vote. Voting by proxy shall not be allowed.

SECTION 7 - Actions at Meetings.

The Board shall not act at any special meeting on any matter which has not been described by general reference in the notice (agenda) for that meeting. The Board shall not act at any regular meeting on any matter which has not been described by general reference in the notice (agenda) for that meeting unless the President determines that such matter should be acted upon because of necessity for prompt or immediate action thereon or unless the Board modifies the agenda. A consent agenda, consisting of a list of routine action items to be considered collectively by the Board, may be utilized at any regular or special meeting. Items shall be removed from the consent agenda and addressed separately at the request of any Director.

SECTION 8 - Meeting Procedures.

Regular and special Board meetings shall be conducted generally in conformance with Robert's Rules of Order, Newly Revised, 10th Edition. Meeting procedures may be modified by the President as necessary to ensure the fair and efficient conduct of Board meetings.

ARTICLE IV - OFFICERS

SECTION 1 - Designation.

The officers of the District shall be a President, Vice-President, Secretary and Treasurer, and such other officers as may be authorized from time to time by Board resolution. The officers shall serve in their capacities for the District in the conduct of all of its affairs.

SECTION 2 - Qualification and Election of Officers.

The President and Vice-President shall be members of the Board of Directors. The Board of Directors shall elect a President and Vice-President each year at the regular January meeting of the Board of Directors. The Secretary and Treasurer shall be appointed by the Board of Directors from time to time as the need for such appointments arises.

SECTION 3 - Term of Office of Officers.

The President and Vice-President shall serve for a term of one (1) year, and shall hold their offices until their successors shall have been elected. Each Board member may serve as President for up to two (2) years and Vice-President for up to two (2) years. The two-year term limit for

President and Vice-President shall become effective on January 1, 2003. The Secretary and Treasurer shall serve at the pleasure of the Board.

ARTICLE V - DUTIES OF OFFICERS

SECTION 1 - President.

The President shall be the Chairman of the Board of Directors and shall preside at all meetings of the Board and of the Executive Committee. Except as otherwise provided herein or by Board action, the President shall sign all contracts, maps, plats, instruments and other documents involved in or concerning the business of the District and warrants, checks or other instruments disbursing the funds of the District in excess of an amount to be determined by Board resolution. The President shall be paid a salary set annually by the Board in its budget process which shall be in addition to his/her compensation and expenses as a director.

SECTION 2 - Vice-President.

The Vice-President shall act, in all things, and shall possess all of the powers and be subject to all of the duties of the President in the event of the latter's absence from any meeting of the Board of Directors or of the Executive Committee, or his/her inability to act. The Vice-President shall be paid a salary set annually by the Board in its budget process which shall be in addition to his/her compensation and expenses as a director.

SECTION 3 - Secretary / General Manager.

(a) The Secretary shall be the active general manager of the District and shall devote his/her entire time to the business and affairs of the District but shall not be a member of the Board of Directors. As General Manager, the Secretary shall have charge of and authority over the office of the District and of all employees thereof except for the District's attorneys and legal staff.

(b) As General Manager the Secretary shall have authority to make contracts for goods and services and to approve purchase orders and expenditures for the administrative operations of the District, but not for development and implementation of the District's policies, subject to the Board's budgeting and appropriating funds for such expenditures.

(c) The Secretary shall be the Secretary of the Board of Directors, the Executive Committee and all special committees of the Board of Directors. The Secretary, or a designee working under his/her direction and control, shall keep a record of all meetings of the Board of Directors, Executive Committee and all special committees of the Board of Directors.

(d) The Secretary shall be the custodian of the funds of the District and shall deposit those funds in a bank, or banks, as authorized by the Board or its authorized special committee. The Secretary shall at all times keep an accurate and correct record of the funds of the District, including the amounts and sources of all receipts and amounts and purposes of all disbursements. The Secretary shall cause an audit of the books of the District to be made annually in compliance with Colorado governmental audit law or at such other times as the Board may direct by motion or resolution.

(e) The Secretary shall sign all warrants, checks or other instruments disbursing funds of the District in amounts less than an amount to be determined by Board resolution and all checks for District employees' compensation from the District's "payroll" account. The Secretary also shall sign all warrants, checks or other instruments disbursing the funds of the District which have been signed by the President.

(f) The Secretary shall have custody of the Seal of the District and shall attest the signatures of the President or Vice-President upon all instruments and other documents signed by such officer.

(g) The Secretary shall give notices of regular and special meetings of the Board of Directors, and of the Executive Committee and of all special committees of the Board of Directors as required by these By-Laws, by the Act or by the Open Meetings Law, and the Secretary shall retain such notices or appropriate evidences thereof as part of the District's permanent records.

(h) In addition to the powers and duties stated herein, as General Manager the Secretary shall do and perform any and all acts required by the Board of Directors or by the Executive Committee.

SECTION 4 - Assistant Secretary.

The Secretary may designate an Assistant Secretary, subject to confirmation by the Board of Directors, who shall discharge the duties of the Secretary in his/her absence or inability to act.

SECTION 5 - Treasurer.

(a) On a quarterly basis, the Treasurer shall confirm bank activity transactions and compliance with District accounting policies and procedures and prepare a Treasurer's Statement of Compliance for the Board of Directors.

(b) On a quarterly basis, the Treasurer shall prepare a Treasurer's Report for the Secretary identifying any recommended changes to policies and/or accounting procedures, instances of non-compliance, and similar matters.

- (c) Upon request of the Secretary, the Treasurer shall work with the District's auditor to ensure that accounting transactions comply with final audit requirements.
- (d) Upon request of the Secretary, the Treasurer shall provide guidance in the preparation of the annual and 3 to 5 year budget plan process.
- (e) Upon request of the Secretary, the Treasurer shall direct a mid-year accounting review as a six month check point for the annual audit.
- (f) The Treasurer shall assist with implementing changes adopted by the Government Accounting Standards Board and recommend revisions to accounting procedures and policies in order to maintain compliance.
- (g) Before entering upon the duties of his/her office, the Treasurer shall give a good and sufficient surety bond in such sum as the Board shall, from time to time, fix by motion or resolution, conditioned upon and for the honest and faithful discharge of his/her duties, and the full and complete accounting by him/her for all funds and properties of the District which shall come into his/her hands, which bond, and the surety or sureties thereon, before becoming effective, shall be approved by the President and Secretary of the District.

ARTICLE VI - EXECUTIVE COMMITTEE

SECTION 1 - Necessity For.

An Executive Committee is hereby created in order to more efficiently and economically carry out and effectuate the express powers of the District set forth in the Colorado River Water Conservation District Act, including operation of the Enterprise.

SECTION 2 - Membership and Selection.

The Executive Committee shall consist of six (6) persons, all of whom shall be members of the Board of Directors selected in the following manner:

- (a) The President shall be an ex-officio member and chairman of said Executive Committee. As an ex-officio member, the President shall vote on Executive Committee actions only if necessary to break a tie vote of the other Executive Committee members or if there is a quorum only because of the President's attendance.
- (b) One member shall be selected from the members of the Board of Directors of the District from an area comprised of Gunnison, Saguache and Hinsdale Counties.
- (c) One member shall be selected from the members of the Board of Directors of the District from an area comprised of Montrose, Ouray and Delta Counties.

(d) One member shall be selected from the members of the Board of Directors of the District from an area comprised of Rio Blanco, Moffat and Routt Counties.

(e) One member shall be selected from the members of the Board of Directors of the District from an area comprised of Garfield, Pitkin and Mesa Counties.

(f) One member shall be selected from the members of the Board of Directors of the District from an area comprised of Grand, Summit and Eagle Counties.

Each member of the Executive Committee shall be selected by the Directors from the area which comprises the counties from which he or she serves as such Executive Committee member. Appointment and selection of members of the Executive Committee shall be made at the regular January meeting of the Board of Directors in each year.

SECTION 3 - Term of Office.

Each member of the Executive Committee shall serve for a term of one (1) year or until his or her successor shall have been appointed and designated.

SECTION 4 - Powers and Duties.

The Executive Committee shall have the following powers and duties, to-wit:

(a) To act on behalf of the Board as directed by the Board of Directors at any regular or special meeting of the Board of Directors.

(b) Between regular meetings of the Board of Directors, the Executive Committee shall have power and authority to make contracts and agreements for the development and implementation of the District's policies, provided that no one such contract shall involve the expenditure or disbursement of more than \$50,000.

(c) To direct the Secretary / General Manager and General Counsel for the District to perform such duties and functions as are deemed necessary for the carrying on of the business and affairs of the District, until the next regular or special meeting of the Board of Directors.

(d) To oversee the independent audit of the District's financial statements, the preparation of the District's budgets, and the creation and implementation of the District's financial, accounting, and budgeting policies or to establish a subcommittee of the Executive Committee to perform such functions.

SECTION 5 - Meetings.

A meeting of the Executive Committee may be called upon request of the President, two members of the Executive Committee, the Secretary, or the General Counsel for the District. Locations of such meetings shall conform with the requirements of Section 3 of Article III concerning special Board meetings. All directors are entitled to attend Executive Committee meetings, but only committee members may vote.

SECTION 6 - Notice of Meetings.

- (a) Notice of Executive Committee meetings shall be given in the following manner:
 - (1) By mailing written notice and information to all Board members at least five (5) days before the meeting; or
 - (2) By giving all Board members notice and information by hand-delivery, telefax, electronic mail or telephone at least 24 hours before the meeting.
- (b) Notice of Executive Committee meetings shall comply with the Open Meetings Law, and notice of such meetings shall also be given to any person or agency requesting notice.
- (c) In the event of a meeting held by telephone conference call as allowed herein, the location of such meeting shall be deemed to be the physical location of the District's principal office.

SECTION 7 - Conduct of Meetings.

The provisions and requirements of Article III concerning quorum, voting, actions and procedures at Board meetings shall apply to Executive Committee meetings, subject to the provisions of this Article. The ex-officio member of such committee shall be counted in determining the existence of a quorum.

ARTICLE VII - SPECIAL COMMITTEES

SECTION 1 - Creation.

Special committees may be created upon motion or resolution adopted at any meeting of the Board of Directors or by action of the President. The number of members of such committees and the Directors who shall serve thereon either shall be provided in the motion or resolution creating the committee or, in default of such provision, shall be determined and appointed by the President. Authority of any such committee to act on behalf of or bind the Board shall only be delegated by Board motion or resolution. Any such committees can be dissolved by the Board. The President shall be an ex-officio member of all such committees and shall vote on committee actions only if necessary to break a tie vote of the other committee members or if there is a quorum only because of the President's attendance.

SECTION 2 - Meetings.

All Board members shall receive notice of committee meetings and information required by the Open Meetings Law. Locations and notices of such committee meetings shall conform with the requirements of Article VI concerning the Executive Committee. All directors are entitled to attend committee meetings, but only committee members may vote.

SECTION 3 - Conduct of Meetings.

The provisions and requirements of Article III concerning quorum, voting, actions and procedures at Board meetings shall apply to special committee meetings, subject to the provisions of this Article. The ex-officio member of such committees shall be counted in determining the existence of a quorum.

ARTICLE VIII - ENGINEER

The Secretary / General Manager may designate a Chief Engineer for the District, including its Enterprise, who shall be a professional engineer registered in the State of Colorado. The duties of the Chief Engineer shall be to provide advice on engineering matters, including but not limited to the construction, maintenance and safe, prudent and lawful operations of all District facilities.

ARTICLE IX - GENERAL COUNSEL

The Board may retain an attorney licensed to practice law in the State of Colorado to act as General Legal Counsel for the District, including its Enterprise. Such General Counsel shall report to and be responsible to the Board and its committees and shall conduct legal affairs on behalf of the District subject to requirements of laws and rules governing the attorney-client relationship and with the assistance of such special legal counsel as the Board may authorize. The General Counsel shall have charge of and authority over any District staff attorneys and other District legal staff.

ARTICLE X - PUBLIC RECORDS

SECTION 1 - General Procedures.

The Secretary, as custodian of the District's records, shall make the District's nonconfidential records available for inspection by the public during normal District office hours and provide copies of such documents to the public without the need for formal requests pursuant to the Open Records Act. The Secretary shall determine whether such records are confidential and therefore not available to the public by reference to the provisions of the Open Records Act concerning denial of inspection of public records and, as he/she deems appropriate, after conferring with the District's General Counsel. The Secretary also shall implement the procedures of the Open Records Act when requests for records are made by the public pursuant to that statute.

SECTION 2 - Requests for Board Meeting Information.

The Secretary shall provide copies of all nonconfidential documents which are provided to the Directors in connection with regular and special Board meetings to members of the public who request the same and agree to pay the costs thereof determined in accordance with the Open Records Act. Members of the public who make a written request for receipt of such documents in connection with their receipt of notices pursuant to Article III, Section 4 above shall be so provided such documents with such notices, if those documents are available at the time of mailing of the notice, or at the Board meeting, if those documents are not available at the time of mailing of the notice. Continued receipt of such documents by such a member of the public shall be contingent upon that individual's payment of the costs for documents previously requested by and delivered to that individual. In providing copies of documents to members of the public pursuant to this Section, the Secretary shall charge an amount which approximates the actual cost of the reproduction and delivery of such documents to such individuals.

ARTICLE XI - CONFLICTS

SECTION 1 - Protection of Privileges.

At times Directors may be associated with other entities which have interests which are adverse to the interests of the District. Such Directors shall not disclose or use confidential information received as a District director contrary to the District's interests without approval of the Board. If a District director acts or intends to act for another entity on a matter in which there are or reasonably are expected to be adverse interests between that entity and the District, he/she shall recuse himself/herself from participating in the District's confidential discussions of that matter and decline to receive confidential District information about that matter. Such director also shall not vote on Board actions affecting the matter. In such a situation, the director shall promptly notify the District's General Counsel, or General Manager of his/her decision or intention to act on behalf of the adverse or potentially adverse entity, and General Counsel, and the General Manager thereafter shall not provide confidential information to such director about the matter.

SECTION 2 - Code of Ethics.

District directors, officers and staff shall comply with the Colorado Code of Ethics law which is codified at C.R.S. § 24-18-101 et seq., as it may be amended from time to time.

SECTION 3 - Disclosure of Conflicts.

District directors, officers and staff shall comply with C.R.S. § 18-8-308 concerning disclosure of conflicts of interest.

ARTICLE XII - SEAL

The Seal of the District shall consist of two concentric circles within the word "SEAL" and the name of the District within said circle.

ARTICLE XIII - AMENDMENTS

These By-Laws may be amended by the affirmative vote of a majority of the entire Board of Directors. A copy of any amendments to these By-Laws proposed to be made shall be mailed by the Secretary to each member of the Board of Directors not less than ten (10) days prior to the meeting of the Board at which such amendment is to be considered.